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RUEHCHI/AMCONSUL CHIANG MAI 2650
RUCNDT/USMISSION USUN NEW YORK 5123
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RUEHGV/USMISSION GENEVA 1735
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RHHMUNA/HQ USPACOM HONOLULU HI
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RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 006757

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PACOM FOR FPA HUSO
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TAGS: PREL PGOV MARR MASS TH BM

SUBJECT: THAILAND'S BURMA POLICY: SUBTLE BUT IMPORTANT
CHANGES

REF: A. BANGKOK 06523 (JOHN MEETING WITH WINAI)
B. BANGKOK 06521 (JOHN MEETING WITH CIVIL SOCIETY
LEADERS)

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Classified By: Ambassador Ralph Boyce for reasons 1.4 (b) and (d)

¶11. (C) Summary: Following the appointment of Gen Surayud Chulanont as interim PM, many observers anticipated a clear shift in Thailand's policy toward Burma. One month into the interim administration, it appears that, with a few exceptions, revisions in policy will be manifest in subtle, yet noteworthy shifts. In recent public statements, Surayud assured that there will be no changes to ongoing policy initiatives between Thailand and Burma, but he has made sure to point out that previous commitments will be implemented under "the principle of transparency." According to our contacts in MFA, Surayud has signaled the regime that they can no longer rely on Thailand to offer rationale and excuses for their failure to move forward, and that Thailand will no longer act as a buffer between the generals and the international community. It remains unclear how any shift in Thai policy will affect the planned construction of a series of hydro-electric dams along the Salween River. Meanwhile, the four billion baht line of credit extended to Burma by the Thai Export-Import Bank continues to receive scrutiny as part of the interim government's efforts to end what Surayud described as "the corruption which has become a national disease." End Summary.

Mixed Signals?

¶12. (C) Following the appointment of Gen. Surayud Chulanont as interim PM, many observers anticipated a shift of Thailand's policy toward Burma. During his tenure as Royal Thai Army Commander (1998-2002), Surayud oversaw a tough, confrontational policy towards the Burmese, particularly

along the border. Since that time, as with many other aspects of the interim administration's behavior, signals have appeared mixed. In his meeting with DAS Eric John on October 24, Secretary-General of the Council for National Security (CNS) Winai Phattiyakul said, "we will have a completely different policy (on Burma) than the last administration" (ref A). Surayud's decision to leave Burma off the list of neighboring countries he visited immediately after his appointment was interpreted as the beginning of this change in Thai-Burma relations.

¶3. (C) Then, on October 31, following a sideline meeting with Burmese Prime Minister Soe Win during the China-ASEAN summit in Nanning, China, PM Surayud was quoted by the media as saying "Any projects that have been agreed upon will be continued transparently. There will be continuity of the foreign policy, that includes the developing of diplomatic relations." These comments were interpreted in several media source to mean that relations between Thailand and Burma would remain unchanged. Civil society contacts in Thailand who follow Burma have expressed concern to us that these statements are a reflection of resistance within the RTG bureaucracy to any sudden shifts in policy toward Burma. Some have even speculated that Chinese pressure brought to bear on MFA is resulting in a softening of Surayud's initial stance.

... or Subtle Hints?

¶4. (C) On November 7, Poloff discussed Thailand's Burma policy with the Acting Director of Burma Affairs in MFA's East Asian Affairs Division, Mr. Kallayana Vipattipumiprates. Kallayana said that Surayud's message in Nanning had been misinterpreted. He noted that specific policy initiatives

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(i.e. cooperation on labor migration, counter-narcotics efforts, etc.) will continue. What will change, according to Kallayana, is how the Thai government will implement these policies. Kallayana said the message delivered to the regime is that, though most policy initiatives will remain in place, "transparency in policy implementation" will be the new standard. He said that Surayud made it clear that Thailand will strive to implement its policy toward Burma "in a way that is beneficial to all Thai people, not just a few individuals."

¶5. (U) In response to a question about Burma policy following his speech to the Foreign Correspondents Club of Thailand (FCCT) on the evening of November 7, Surayud said: "Broadly, we will carry on with commitments on bilateral agreements," adding that his government would adhere to "the principle of transparency" and seek "a just course for any previous commitments."

Neither an Apologist, nor an Antagonist

¶6. (C) Kallayana said that when Surayud met with PM Soe Win in China, he attempted to deliver another subtle message. According to Kallayana (who was part of the delegation to Nanning), Surayud told Soe Win, "We don't consider Burma to be a threat, but we will continue to work through ASEAN to promote democratization." The message, according to Kallayana, was not that Thailand is opposed to discussion of Burma in the UN Security Council, as was interpreted in some media outlets. The message according to Kallayana was that regardless of Thailand's assessment of the threat represented by Burma, Thailand will work "under ASEAN" in its effort to promote democratization in Burma. According to Kallayana the point is that "Burma will have to work together with ASEAN." Kallayana went on to say that Soe Win offered no reaction to this message. He expressed concern that Soe Win may not have fully understood the meaning of what Surayud was trying to say.

¶ 7. (U) Surayud told the FCCT gathering that, in his conversation with Soe Win, he noted with dry wry humor, "Thailand and Burma, are in the same shoes now, and we must be careful" with respect to how the international community views their actions. Surayud went on to say, "We have a timeline to elections. They do not." FM Nitya Pibulsongram softened his point, adding, "Their path is their own. We have ours and they have their own domestic path."

A Visit to Burma?

¶ 8. (U) Asked during the FCCT event whether Surayud would visit Burma, FM Nitya responded: "We will go." He added that they are looking a suitable date that is convenient for both sides.

¶ 9. (C) Kallayana affirmed that at some point during his tenure, Surayud "is likely to visit Burma". However, he said that Surayud is "too busy" to consider making such a trip at the present time. He noted that Surayud's upcoming trip to Brunei and Singapore was originally planned for two days, but had to be cut short due to the PM's packed schedule. Kallayana further noted that he does not believe this is "the right time" for Surayud to visit Burma.

Dam That River?

¶ 10. (SBU) It remains unclear how any shift in Thai policy will affect the planned construction of a series of hydro-electric dams along the Salween River. There are

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indications that the interim government is less supportive of the dam projects. Some media outlets have reported that interim Energy Minister Piyavasti Amranand has suggested that the proposals should be reviewed by the cabinet, not just by the Ministry of Energy. However, according to the NGO Salween River Watch, some of the agreements made between Thai, Burmese and Chinese authorities may not be easily suspended even if there is currently political will to do so.

For example, a report issued in September by the Shan Sapawa Organization notes that the Thai contracting company MDX has already commenced construction of staff buildings and roads to the proposed site of the Tasang dam in Shan State.

Rooting out Corruption

¶ 11. (U) In the days following its establishment, the Asset Examination Committee (AEC) announced that it would investigate the 4 billion baht line of credit extended to Burma by the Thai Export-Import Bank. In particular, the AEC is focusing on a 600 million baht loan to the Burmese government for the purchase of a broadband satellite system from Shin Satellite, a firm previously owned by Thaksin's family. It is unclear what action the interim government will be able to take if the AEC uncovers a conflict of interest in the approval of this loan.

¶ 12. (C) Kallayana informed Poloff that no new loan proposals have come forward since the coup, and he does not anticipate any in the near-term. "It is not the right time to ask for new loans," he observed.

Comment

¶ 13. (C) We are encouraged by the subtle, but significant shifts we have detected in the interim government's emerging policy toward Burma. For now, the interim Thai government will likely continue with specific policy initiatives related to border security, drug trafficking, migrant labor, etc. But the emphasis on "transparency in policy implementation"

is clearly intended as a signal that at least the tenor of
bilateral relations will change.

BOYCE